



Samuel J. Wellborn  
Associate General Counsel

Duke Energy  
1201 Main Street  
Suite 1180  
Columbia, SC 29201

o: 803.988.7130  
f: 803.988.7123

sam.wellborn@duke-energy.com

January 28, 2022

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk and Executive Director  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

**Re: Joint Application of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC to Establish Green Source Advantage Programs and Riders GSA  
Docket No. 2018-320-E**

**Update on GSA Capacity and Request to Extend Initial Enrollment Period**

Dear Ms. Boyd:

Pursuant to Ordering Paragraph Three (3) of Order No. 2021-63 ("Order"), Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") and together with DEC, (the "Companies") hereby provide an update to the Public Service Commission of South Carolina ("Commission") on the Green Source Advantage ("GSA") Program's available capacity, and request that the Commission approve updated DEC Rider GSA(SC) and DEP Rider GSA-2 (collectively, the "GSA tariffs") to extend the original nine-month enrollment period for an additional nine-month period between the date of this filing through September 29, 2022.

The Commission issued Order No. 2021-63 on January 28, 2021. The Order approved the Companies' GSA Program under S.C. Code Ann. § 58-41-30 and established an aggregate 200 MW of Program capacity between the Companies. Pursuant to the Order, the Companies' GSA tariffs establish an initial nine-month enrollment period allocating 150 MW of Program capacity to DEC and 50 MW of Program capacity to DEP, including special capacity reservations (25 MW for DEC and 10 MW for DEP) for local government customers and university customers during such period. The Order also provides that, thirty days following the initial nine-month enrollment period, the Companies are required to update the Commission on any remaining available Program capacity and make all remaining Program capacity available on a "first come, first serve" basis to GSA Program participants.

The Honorable Jocelyn G. Boyd  
January 28, 2022  
Page 2

On March 29, 2021, the Companies opened the initial GSA nine-month enrollment period. On December 29, 2021, the initial nine-month enrollment period ended. As of January 28, 2022, all 200 MW of GSA Program capacity remains available.

Because all GSA Program capacity remains available, the Companies request that the Commission extend the initial nine-month enrollment period and capacity reservations for local government and university customers for an additional nine months between the date of this filing through September 29, 2022. Extension of the initial enrollment period will allow a further opportunity for eligible GSA Program customers of both utilities to participate in the GSA Program as well as provide local government and university customers additional time to enroll and participate in the Program.<sup>1</sup> The Companies have attached to this filing proposed amended GSA tariffs to indicate that the initial nine-month enrollment period is being extended through and including September 29, 2022 to effectuate this change. Clean and redline versions of DEC and DEP's amended GSA tariffs are included as Attachment A (DEC) and Attachment B (DEP) to this letter.

Order No. 2021-63 also reflects the Companies' commitment to engage with Carolinas Clean Energy Business Association ("CCEBA") and interested stakeholders to review the current GSA Program bill credit options in the event that 75 percent of GSA Program capacity is not subscribed within twelve months of the initial open enrollment date, which is March 29, 2022. The Companies do not anticipate that 75 percent of GSA Program capacity will be subscribed by this time, and, therefore, plan to engage CCEBA and other interested stakeholders in the near future to commence discussions regarding the GSA Program bill credit options.

Kind regards,



Sam Wellborn

Attachments

cc: Parties of Record (via email with attachments)

---

<sup>1</sup> Order No. 2021-63 recognizes that local government and university customers may need additional time to enroll in the GSA Program. *See* Order No. 2021-63 at 11.

## Attachment A

Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina ~~Original~~First Revised Leaf No. 145  
Superseding South Carolina Original Leaf No. 145RIDER GSA (SC)  
GREEN SOURCE ADVANTAGEAVAILABILITY (South Carolina Only)

This Green Source Advantage Program ("GSA Program" or "Program") is available to Duke Energy Carolinas' ("Company") nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule pursuant to the terms of the GSA Program, as approved by the Public Service Commission of South Carolina ("Commission"). Eligibility for the Program is limited to nonresidential customers with a minimum Annual Peak Demand of 1,000 kW or a minimum Aggregate Annual Peak Demand (as defined below) at multiple Company service locations in South Carolina of 1,000 kW ("GSA Customer(s)" or "Customer(s)"). The Program is also limited to a total capacity of 150 MW of renewable energy facilities in the Company's service territory ("GSA Program Capacity"). 25 MW of the 150 MW allocated for the Company's Customers shall be reserved for local governments and higher education institution GSA customers. This Rider and the Program shall remain open to eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, unless and until the GSA Program Capacity is fully subscribed.

PROCUREMENT OF GSA FACILITIES

The Program allows eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates ("RECs") generated by a GSA Facility or portfolio of GSA Facilities ("GSA Facility(ies)"). A GSA Facility must be a new renewable energy facility located in the Company's service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner ("Renewable Supplier") and used to serve all customers.

Customers seeking to participate in the Program shall identify and propose to the Company a GSA Facility developed by a Renewable Supplier. The Renewable Supplier, which may include an affiliate of the Company, will enter into a power purchase agreement ("GSA PPA") with the Company to supply all of the energy and capacity from the GSA Facility(ies) to the Company. The Customer will negotiate price terms directly with a Renewable Supplier ("Negotiated Price"). As described below and as required by the GSA Service Agreement, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company's Program website, identifying an annual amount of renewable capacity to be procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer's Annual Peak Demand or 125% of the Aggregate Annual Peak Demand at eligible Customer service location(s) within the Company's South Carolina service territory.

The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer's enrollment in the Program, which may be up to 20 years, and (2) the GSA Bill Credit option the Customer is choosing (see discussion of GSA Bill Credits in the Monthly Rate section below). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first come, first served" basis based upon the date and time of receipt of the Customer's completed application. Subsequent applications will be held until earlier applications are resolved and will not be rejected unless and until the Company's GSA Program Capacity<sup>1</sup> is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer's application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

<sup>1</sup> Any GSA Program Capacity remaining after ~~the initial nine month implementation period~~ September 29, 2022, shall no longer be reserved for local governments and higher education institution GSA Customers and shall be made available to any eligible GSA Customer(s) served by the Company on a "first come, first served" basis ~~as further described in the Rider.~~

## Attachment A

Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina ~~Original~~First Revised Leaf No. 145  
Superseding South Carolina Original Leaf No. 145RIDER GSA (SC)  
GREEN SOURCE ADVANTAGE

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 90 days of delivery by the Company, and the Renewable Supplier must also execute and return the GSA PPA within 90 days of delivery by the Company. The GSA PPA and GSA Service Agreement shall be of equal duration. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA between the Company and a Renewable Supplier selected by a GSA Customer to provide a GSA Facility shall include delivery of all energy and capacity of the GSA Facility. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

The monthly rate shall be an amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

GSA Product Charge – The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the "Administratively Established Avoided Cost Bill Credit" (as defined below) or (2) the "Hourly Marginal Avoided Cost Bill Credit" (as defined below).

(1) Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5, 10, 15, or 20 years) or 10 years (for contract terms of 10 or 20 years). In the case of GSA PPA contract terms longer than the Administratively Established Bill Credit terms selected by the GSA Customer, the Bill Credit will be re-calculated at the end of the initial Bill Credit term using the then approved methodology.

If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

(2) Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate = (Hourly Energy Charges + Rationing Charges).

- i. Hourly Energy Charge = expected marginal production cost and other directly related costs.

## Attachment A

Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina ~~Original~~First Revised Leaf No. 145  
Superseding South Carolina Original Leaf No. 145RIDER GSA (SC)  
GREEN SOURCE ADVANTAGE

- ii. Rationing Charge = marginal capacity cost during hours with generation constraint.
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to 20 years.

GSA Monthly Administrative Charge – The GSA Monthly Administrative Charge will be \$375 per month for each eligible GSA Customer taking service hereunder plus an additional \$50 charge per additional account billed.

The GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and GSA Bill Credit.

ANNUAL PEAK DEMAND

The Annual Peak Demand of a GSA Customer account shall be the higher of the contract demand, if applicable, or the highest demand measured for the Customer over the 12 months preceding the application. The Aggregate Annual Peak Demand of a GSA Customer shall be the sum of the Annual Peak Demands for each participating account of a GSA Customer.

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource, and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

## Attachment A

Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina First Revised Leaf No. 145  
Superseding South Carolina Original Leaf No. 145RIDER GSA (SC)  
GREEN SOURCE ADVANTAGEAVAILABILITY (South Carolina Only)

This Green Source Advantage Program ("GSA Program" or "Program") is available to Duke Energy Carolinas' ("Company") nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule pursuant to the terms of the GSA Program, as approved by the Public Service Commission of South Carolina ("Commission"). Eligibility for the Program is limited to nonresidential customers with a minimum Annual Peak Demand of 1,000 kW or a minimum Aggregate Annual Peak Demand (as defined below) at multiple Company service locations in South Carolina of 1,000 kW ("GSA Customer(s)" or "Customer(s)"). The Program is also limited to a total capacity of 150 MW of renewable energy facilities in the Company's service territory ("GSA Program Capacity"). 25 MW of the 150 MW allocated for the Company's Customers shall be reserved for local governments and higher education institution GSA customers. This Rider and the Program shall remain open to eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, unless and until the GSA Program Capacity is fully subscribed.

PROCUREMENT OF GSA FACILITIES

The Program allows eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates ("RECs") generated by a GSA Facility or portfolio of GSA Facilities ("GSA Facility(ies)"). A GSA Facility must be a new renewable energy facility located in the Company's service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner ("Renewable Supplier") and used to serve all customers.

Customers seeking to participate in the Program shall identify and propose to the Company a GSA Facility developed by a Renewable Supplier. The Renewable Supplier, which may include an affiliate of the Company, will enter into a power purchase agreement ("GSA PPA") with the Company to supply all of the energy and capacity from the GSA Facility(ies) to the Company. The Customer will negotiate price terms directly with a Renewable Supplier ("Negotiated Price"). As described below and as required by the GSA Service Agreement, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company's Program website, identifying an annual amount of renewable capacity to be procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer's Annual Peak Demand or 125% of the Aggregate Annual Peak Demand at eligible Customer service location(s) within the Company's South Carolina service territory.

The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer's enrollment in the Program, which may be up to 20 years, and (2) the GSA Bill Credit option the Customer is choosing (see discussion of GSA Bill Credits in the Monthly Rate section below). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first come, first served" basis based upon the date and time of receipt of the Customer's completed application. Subsequent applications will be held until earlier applications are resolved and will not be rejected unless and until the Company's GSA Program Capacity<sup>1</sup> is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer's application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

<sup>1</sup> Any GSA Program Capacity remaining after September 29, 2022, shall no longer be reserved for local governments and higher education institution GSA Customers and shall be made available to any eligible GSA Customer(s) served by the Company on a "first come, first served" basis.

## Attachment A

Duke Energy Carolinas, LLC

Electricity No. 4  
South Carolina First Revised Leaf No. 145  
Superseding South Carolina Original Leaf No. 145RIDER GSA (SC)  
GREEN SOURCE ADVANTAGE

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 90 days of delivery by the Company, and the Renewable Supplier must also execute and return the GSA PPA within 90 days of delivery by the Company. The GSA PPA and GSA Service Agreement shall be of equal duration. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA between the Company and a Renewable Supplier selected by a GSA Customer to provide a GSA Facility shall include delivery of all energy and capacity of the GSA Facility. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

The monthly rate shall be an amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

GSA Product Charge – The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the "Administratively Established Avoided Cost Bill Credit" (as defined below) or (2) the "Hourly Marginal Avoided Cost Bill Credit" (as defined below).

(1) Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5, 10, 15, or 20 years) or 10 years (for contract terms of 10 or 20 years). In the case of GSA PPA contract terms longer than the Administratively Established Bill Credit terms selected by the GSA Customer, the Bill Credit will be re-calculated at the end of the initial Bill Credit term using the then approved methodology.

If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

(2) Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate = (Hourly Energy Charges + Rationing Charges).

- i. Hourly Energy Charge = expected marginal production cost and other directly related costs.

## Attachment A

Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina First Revised Leaf No. 145  
Superseding South Carolina Original Leaf No. 145RIDER GSA (SC)  
GREEN SOURCE ADVANTAGE

- ii. Rationing Charge = marginal capacity cost during hours with generation constraint.
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to 20 years.

GSA Monthly Administrative Charge – The GSA Monthly Administrative Charge will be \$375 per month for each eligible GSA Customer taking service hereunder plus an additional \$50 charge per additional account billed.

The GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and GSA Bill Credit.

ANNUAL PEAK DEMAND

The Annual Peak Demand of a GSA Customer account shall be the higher of the contract demand, if applicable, or the highest demand measured for the Customer over the 12 months preceding the application. The Aggregate Annual Peak Demand of a GSA Customer shall be the sum of the Annual Peak Demands for each participating account of a GSA Customer.

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource, and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.



RIDER GSA-~~23~~  
GREEN SOURCE ADVANTAGE (SC)

AVAILABILITY

This Green Source Advantage Program (“GSA Program” or “Program”) is available to Duke Energy Progress’ (“the Company”) nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, pursuant to the terms of the GSA Program, as approved by the Public Service Commission of South Carolina (“Commission”). Eligibility for the Program is limited to nonresidential customers with a minimum Annual Peak Demand of 1,000 kW or a minimum Aggregated Annual Peak Demand (as defined below) at multiple Company service locations in South Carolina of 1,000 kW (“GSA Customer(s),” or “Customer(s)”). The Program is also limited to a total capacity of 50 MW of renewable energy facilities in the Company’s service territory (“GSA Program Capacity”). 10 MW of the 50 MW allocated for the Company’s Customers shall be reserved for eligible local governments and higher education institution GSA customers. This Rider and the Program shall remain open to eligible GSA Customers pursuant to the Program’s terms and conditions, as approved by the Commission, unless and until the GSA Program Capacity is fully subscribed.

PROCUREMENT OF GSA FACILITIES

The Program allows eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates (“RECs”) generated by a GSA Facility or portfolio of GSA Facilities (“GSA Facility(ies)”). A GSA Facility must be a new renewable energy facility located in the Company’s service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner (“Renewable Supplier”) and used to serve all customers.

Customers seeking to participate in the Program shall identify and propose to the Company a GSA Facility developed by a Renewable Supplier. The Renewable Supplier, which may include an affiliate of the Company, will enter into a power purchase agreement (“GSA PPA”) with the Company to supply all of the energy and capacity from the GSA Facility(ies) to the Company. The Customer will negotiate price terms directly with a Renewable Supplier (“Negotiated Price”). As described below and as required by the GSA Service Agreement, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company’s Program website, identifying an annual amount of renewable capacity to be procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer’s Annual Peak Demand of the Aggregate Annual Peak Demand at eligible Customer service location(s) within the Company’s South Carolina service territory.

The Customer’s application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer’s enrollment in the Program which may be up to twenty (20) years and (2) the GSA Bill Credit option the Customer is choosing (see discussion of GSA Bill Credits in the Monthly Rate section below). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a “first-come-first-served” basis based upon the date and time of receipt of the Customer’s completed application. Subsequent applications will be held until earlier applications are resolved and will not be rejected unless and until the Company’s GSA Program Capacity<sup>1</sup> is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer’s application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and

<sup>1</sup> Any GSA Program Capacity remaining ~~after the initial nine-month implementation period~~ September 29, 2022, shall ~~no longer be reserved for local governments and higher education institution GSA Customers and shall be made available to any eligible GSA Customer(s) served by the Company on a “first come, first served” basis, as further described in the Rider.~~

provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 90 days of delivery by the Company and the Renewable Supplier must execute and return the GSA PPA within 90 days of delivery by the Company. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

#### GSA PPA RATES AND TERMS

The GSA PPA between the Company and a Renewable Supplier selected by a GSA Customer to provide a GSA Facility shall include delivery of energy and capacity of the GSA Facility. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

#### RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

#### MONTHLY RATE

The monthly rate shall be an amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

GSA Product Charge – The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the "Administratively Established Avoided Cost Bill Credit" (as defined below) or (2) the "Hourly Marginal Avoided Cost Bill Credit" (as defined below).

##### (1) Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5, 10, 15, or 20 years) or 10 years (for contract terms of 10 or 20 years). In the case of GSA PPA contract terms longer than the Administratively Established Bill Credit terms selected by the GSA Customer, the Bill Credit will be re-calculated at the end of the initial Bill Credit term using the then approved methodology.

If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

##### (2) Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly RTP Rate = MENERGY + CAP

where:

MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses

CAP = Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15

The hourly Real Time Price ("RTP") Rate will not, under any circumstances, be lower than zero. If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to 20 years.

GSA Monthly Administrative Charge – will be \$375 per month for each Eligible GSA Customer taking service hereunder plus an additional \$50 charge per additional account billed.

The GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and GSA Bill Credit.

#### ANNUAL PEAK DEMAND

The Annual Peak Demand of a GSA Customer account shall be the higher of the contract demand, if applicable, or the highest demand measured for the Customer over the 12 months preceding the application. The Aggregate Annual Peak Demand of a GSA Customer shall be the sum of the Annual Peak Demands for each participating account of a GSA Customer.

#### GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

RIDER GSA-3  
GREEN SOURCE ADVANTAGE (SC)

AVAILABILITY

This Green Source Advantage Program (“GSA Program” or “Program”) is available to Duke Energy Progress’ (“the Company”) nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, pursuant to the terms of the GSA Program, as approved by the Public Service Commission of South Carolina (“Commission”). Eligibility for the Program is limited to nonresidential customers with a minimum Annual Peak Demand of 1,000 kW or a minimum Aggregated Annual Peak Demand (as defined below) at multiple Company service locations in South Carolina of 1,000 kW (“GSA Customer(s),” or “Customer(s)”). The Program is also limited to a total capacity of 50 MW of renewable energy facilities in the Company’s service territory (“GSA Program Capacity”). 10 MW of the 50 MW allocated for the Company’s Customers shall be reserved for eligible local governments and higher education institution GSA customers. This Rider and the Program shall remain open to eligible GSA Customers pursuant to the Program’s terms and conditions, as approved by the Commission, unless and until the GSA Program Capacity is fully subscribed.

PROCUREMENT OF GSA FACILITIES

The Program allows eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates (“RECs”) generated by a GSA Facility or portfolio of GSA Facilities (“GSA Facility(ies)”). A GSA Facility must be a new renewable energy facility located in the Company’s service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner (“Renewable Supplier”) and used to serve all customers.

Customers seeking to participate in the Program shall identify and propose to the Company a GSA Facility developed by a Renewable Supplier. The Renewable Supplier, which may include an affiliate of the Company, will enter into a power purchase agreement (“GSA PPA”) with the Company to supply all of the energy and capacity from the GSA Facility(ies) to the Company. The Customer will negotiate price terms directly with a Renewable Supplier (“Negotiated Price”). As described below and as required by the GSA Service Agreement, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company’s Program website, identifying an annual amount of renewable capacity to be procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer’s Annual Peak Demand of the Aggregate Annual Peak Demand at eligible Customer service location(s) within the Company’s South Carolina service territory.

The Customer’s application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer’s enrollment in the Program which may be up to twenty (20) years and (2) the GSA Bill Credit option the Customer is choosing (see discussion of GSA Bill Credits in the Monthly Rate section below). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a “first-come-first-served” basis based upon the date and time of receipt of the Customer’s completed application. Subsequent applications will be held until earlier applications are resolved and will not be rejected unless and until the Company’s GSA Program Capacity<sup>1</sup> is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer’s application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and

---

<sup>1</sup> Any GSA Program Capacity remaining September 29, 2022, shall no longer be reserved for local governments and higher education institution GSA Customers and shall be made available to any eligible GSA Customer(s) served by the Company on a “first come, first served” basis.

provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 90 days of delivery by the Company and the Renewable Supplier must execute and return the GSA PPA within 90 days of delivery by the Company. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

#### GSA PPA RATES AND TERMS

The GSA PPA between the Company and a Renewable Supplier selected by a GSA Customer to provide a GSA Facility shall include delivery of energy and capacity of the GSA Facility. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

#### RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

#### MONTHLY RATE

The monthly rate shall be an amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

GSA Product Charge – The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the "Administratively Established Avoided Cost Bill Credit" (as defined below) or (2) the "Hourly Marginal Avoided Cost Bill Credit" (as defined below).

##### (1) Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5, 10, 15, or 20 years) or 10 years (for contract terms of 10 or 20 years). In the case of GSA PPA contract terms longer than the Administratively Established Bill Credit terms selected by the GSA Customer, the Bill Credit will be re-calculated at the end of the initial Bill Credit term using the then approved methodology.

If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

##### (2) Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly RTP Rate = MENERGY + CAP

where:

MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses

CAP = Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15

The hourly Real Time Price ("RTP") Rate will not, under any circumstances, be lower than zero. If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to 20 years.

GSA Monthly Administrative Charge – will be \$375 per month for each Eligible GSA Customer taking service hereunder plus an additional \$50 charge per additional account billed.

The GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and GSA Bill Credit.

#### ANNUAL PEAK DEMAND

The Annual Peak Demand of a GSA Customer account shall be the higher of the contract demand, if applicable, or the highest demand measured for the Customer over the 12 months preceding the application. The Aggregate Annual Peak Demand of a GSA Customer shall be the sum of the Annual Peak Demands for each participating account of a GSA Customer.

#### GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.